

Message Text

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SUBJECT: US BUSINESS VISITORS IN MAY

REF: PEKING 836

SUMMARY AND INTRODUCTION: ALTHOUGH THE MAIN FOCUS OF US-CHINA BUSINESS ACTIVITY IN MAY WAS IN CANTON WHERE OVER 400 AMERICANS ATTENDED THE SEMI-ANNUAL TRADE FAIR, (HONG KONG 5451), A NUMBER OF US COMMERCIAL FIGURES ALSO VISITED PEKING. THIS INCLUDED COMMERCE SECRETARY MORTON, WHO MET INFORMALLY WITH PRC FOREIGN TRADE MINISTER LI CH'ANG AND CCPIT PRESIDENT WANG YAO-T'ING (PEKING 941) AND A DELEGATION OF BUSINESS LEADERS FROM THE GREATER SAN FRANCISCO CHAMBER OF COMMERCE (PEKING 879).

ALSO IN PEKING WERE REPRESENTATIVES OF BAKER TRADING COMPANY AND BYRON JACKSON, WHO TOGETHER HOPE FOR A SIGNIFICANT SALE OF OIL EQUIPMENT AND TECHNOLOGY TO CHINA, AND REPRESENTATIVES OF REED TOOL AND CAMERON IRON WORKS.

OTHERS INCLUDED PERSONNEL FROM PEPISCO, WABCO, CUMMINS ENGINE COMPANY, CHROMALLOY AND SEVERAL SMALL US IMPORT FIRMS WHO CAME TO PEKING AFTER VISITS TO THE CANTON FAIR.

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END SUMMARY AND INTRODUCTION.

1. REPRESENTATIVES OF THE FOLLOWING US FIRMS VISITED PEKING IN MAY.

2. BAKER TRADING AND BYRON JACKSON - BAKER TRADING COMPANY'S JAY PACE ARRIVED IN PEKING IN EARLY MAY ACCOMPANIED BY TWO REPRESENTATIVES OF BYRON JACKSON, INC. THE THREE MEN WERE INVITED BY THE CHINA NATIONAL TECHNICAL IMPORT CORPORATION FOR DISCUSSIONS ON THE SALE OF OIL WELL STIMULATION EQUIPMENT AND TECHNOLOGY WHICH THE TWO FIRMS HAVE BEEN PROMOTING FOR OVER 18 MONTHS. IN A BRIEF CONVERSATION WITH A USLO OFFICER ON MAY 27, PACE SAID THE DISCUSSIONS WERE PROCEEDING WELL AND HE ANTICIPATED A SIGNIFICANT SALE WOULD RESULT.

3. REED TOOL COMPANY AND CAMERON IRON WORKS - AFTER VISITING THE CANTON FAIR ON AN INVITATION ISSUE TO C.J. WANG OF THE INTERNATIONAL CORPORATION OF AMERICA (ICA), REED TOOL'S ROY MOORE TRAVELED TO PEKING FOR SEVERAL DAYS OF FURTHER TALKS WITH THE CHINA NATIONAL MACHINERY IMPORT AND EXPORT CORPORATION (MACHIMPEX). REED TOOL PREVIOUSLY SOLD MINING AND DRILL BITS TO MACHIMPEX, AND WOULD LIKE TO SELL MORE. (LAST YEAR THE COMPANY WAS VISITED BY ENGINEERS FROM THE ANSHAN MINING COMPANY, WHO WERE IN THE U.S. AT THE INVITATION OF BUCYRUS ERIE.) ALSO IN PEKING, ON A PRIVATE VISIT, WAS THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF CAMERON IRON WORKS, INC., MR. ANTHONY BRYAN. WHILE HERE BRYAN MET WITH MACHIMPEX DEPUTY GENERAL MANAGER CH'ENG CHI-HSIEN AND MADE A GENERAL PRESENTATION OF HIS CORPORATION'S PRODUCTS BRYAN'S FIRM IS ALSO REPRESENTED BY ICA'S C.J. WANG AND HAD A REPRESENTATIVE AT THE 1974 SPRING CANTON FAIR (1974 A-25).

4. PEPSICO - PEPSICO BOARD CHAIRMAN AND CHIEF EXECUTIVE OFFICER DONALD KENDALL VISITED PEKING IN MID-MAY AS THE GUEST OF USLO CHIEF BUSH. DURING CALL ON LI CH'UAN, VICE PRESIDENT OF THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT), KENDALL INQUIRED ON BEHALF OF THE NATIONAL COUNCIL FOR US-CHINA TRADE IF IT WOULD BE LIMITED OFFICIAL USE

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POSSIBLE TO EXTEND THE DURATION OF THE FORTHCOMING CCPIT DELEGATION'S VISIT TO THE US THIS SEPTEMBER FROM 14 TO 18 DAYS. LI INDICATED THAT A LONGER VISIT HAD AT LEAST BEEN CONSIDERED, BUT HE FAILED TO GIVE KENDALL A DIRECT REPLY. KENDALL ALSO DISCUSSED IN BROAD TERMS POSSIBLE TRADE BETWEEN HIS COMPANY AND THE PRC AND WAS TOLD HE SHOULD CONTACT SPECIFIC PRC TRADE CORPORATIONS IF HE WISHED TO DISCUSS

THIS IN DETAIL.

5. WABCO AND CUMMINS ENGINES - REPRESENTATIVES OF WABCO AND CUMMINS ENGINE COMPANY (INCLUDING CUMMINS BOARD CHAIRMAN J.I. MILLER) VISITED PEKING IN CONNECTION WITH WABCO'S \$7 MILLION SALE OF 100 TON MINING TRUCKS TO CHINA LAST YEAR. CUMMINS PROVIDES ENGINES FOR THE VEHICLES AND THE JOINT GROUP WAS HERE FOR INSTALLATION OF THOSE ENGINES ABOARD THE WABCO TRUCKS. TAKING ADVANTAGE OF THE OPPORTUNITY, BOARD CHAIRMAN MILLER PAID A CALL ON MACHIMPEX TO PRESENT POSSIBILITIES FOR FUTURE TRADE BETWEEN HIS COMPANY AND THE PRC.

6. CHROMALLOY AMERICAN CORPORATION - RALPH DELMONTE OF THIS US CONGLOMERATE VISITED PEKING AND SHANGHAI AT THE INVITATION OF THE CHINA NATIONAL TEXTILES IMPORT AND EXPORT CORPORATION. DELMONTE EARLIER VISITED THE CANTON FAIR, WHERE, HE SAID, HE PURCHASED A "NOMINAL" AMOUNT OF PRC GREY GOODS (\$100,000). HE ANTICIPATED LITTLE FURTHER BUSINESS IN HIS POST-FAIR TRAVELS.

7. REVLIS TRADING COMPANY - MR. AND MRS. MORRIE SILVER OF THIS SAN FRANCISCO IMPORT FIRM CALLED AT USLO AFTER VISITS TO THE CANTON FAIR AND SHANGHAI IN WHICH THEY BOUGHT BASKETS AND OTHER HANDICRAFTS WORTH \$200,000.

8. BRINN'S CHINA AND GLASSWARE COMPANY INC. - CHARLES BRINN, A GLASSWARE IMPORTER FROM PITTSBURGH, TRAVELLED TO TIENTSIN AND PEKING IN EARLY MAY, BETWEEN VISITS TO THE CANTON FAIR. HIS MAIN INTEREST WAS IN DINNERWARE AND HE WAS SEEKING TO INFORM THE CHINESE ON US REQUIREMENTS CONCERNING LEAD CONTENT, PACKAGING AND OTHER RELATED SUBJECTS. WHILE HE CONCLUDED LITTLE BUSINESS, BRINN LIMITED OFFICIAL USE

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FOUND THE CHINESE RECEPTIVE TO SUGGESTIONS AND FELT THERE COULD BE GOOD FUTURE SINO-US TRADE IN THIS AREA.

9. HESS'S - MR AND MRS PHILIP BERMAN OF THIS ALLENTOWN, PA. STORE STOPPED AT USLO MAY 2 AFTER PAYING THEIR FIRST VISIT TO A CANTON FAIR WHERE THEY BOUGHT \$75,000 OF JEWELRY, JADE CARVINGS AND PETIT POINT BAGS. THEY MADE \$50,000 OF ADDITIONAL PURCHASES IN JEWELRY, JADE, RUGS, SCROLLS, AND OTHER ITEMS DURING POST-FAIR VISITS TO PEKING AND TIENTSIN.

10. THIS CABLE CONTAINS SENSITIVE COMMERCIAL INFORMATION WHICH SHOULD BE HELD WITHIN THE USG. BUSH

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